



**Fiscal Administration
- Provider Audit Unit**

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John Hoeven, Governor
Carol K. Olson, Executive Director

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TO: All Residential Treatment Center Facilities

FROM: Sheila M. Moffatt, Lead Manager
Fiscal Administration-Provider Audit

The general information sheet and a cost report form, which is to be completed for your facility, are available on-line at the following website: <http://www.state.nd.us/humanservices>. On the left side of the screen, select "**Providers**". On the 'Providers' screen select "**Medical Services**". If you agree to the 'End Users Agreement for Providers' select "**Accept**" at the bottom of the screen. On the 'Medicaid Provider Information' screen, select "**Cost Reports**". Under 'Cost Report and Budget Report Information for Providers' select "**Residential Treatment Center Facilities: Report Documents**". Under 'Licensed Residential Child Care Facilities' select "**Residential Treatment Center Facility Cost Report and Instructions**".

The report is to be completed consistent with North Dakota Administrative Code, Chapter 75-03-20. The information provided will be used to establish rates beginning January 1, 2006.

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We will be reviewing the cost report for consistency in adjustments based on our review of the previous cost report. Differences will be communicated to the contact person at the facility who will be responsible for communicating the adjustments to the person responsible for preparing the cost report.

In order to facilitate the processing and audit of your facility cost report, if applicable, the following additional information must be submitted:

- A letter, to be signed by the administrator and the facility's accounting firm, authorizing access to the preparer's work papers

- For facilities that have an outside accountant prepare their cost report, copies of workpapers supporting the accumulation of data for the cost report.

- A copy of the audit report of the facility's financial records and adjusting and reversing entries.

- A working trial balance or copies of the general ledger that tie to the reconciliation of costs. For any combination of accounts, a workpaper identifying the account number, description, amount and a total amount must be submitted.

Copies of workpapers used to reclassify costs from the general ledger accounts into categories for inclusion in the cost report.

Depreciation schedules.

Copies of new loan agreements and amortization schedule

For ease of processing, use one column for each adjustment made on the Schedule D's, when preparing the summary of adjustments. Copy the summary if additional columns are needed. The total costs are included on Schedule C-1 and adjustments should not be subtracted from the general ledger costs prior to completing Schedule C-1.

Also, the cost report schedules have been changed from legal-size forms to letter-size forms. Please submit all cost report schedules, accompanying documentation, trial balance, lead schedules and depreciation schedules on letter-size paper.

Just as a reminder, **your report is due within three months of your fiscal year end.** In order to avoid possibilities of penalties, we suggest that you take any precautionary measures necessary to assure that all required information is completed and submitted within the required time frame.

COST REPORT CERTIFICATION (Schedule A): This page must be completed and signed by the administrator and, if prepared by a certified public accountant, that person must sign the page. The original signatures must accompany the cost report. A complete copy of the cost report must be printed and sent in along with Schedule A.

If costs are not reported on the accrual basis, the cost report may be returned to the facility for revision. You should make sure that your accountant is aware of this.

The rate computations and supporting data, starting with your cost report amounts, will be sent to you after the rates have been established.

If you have completed the cost report in accordance with the requirements, no further adjustments should have to be made at the time of the audit. If you have any questions, please feel free to call 328-7560.